

# Report on Corporate Governance

### 1. A brief statement on Company's philosophy

NMDC, a Navaratna Company, believes in financial prudence, customer satisfaction, transparency, accountability and commitment to values. The good governance it practices is based on its stated belief and the guidelines of the Government of India issued from time to time should go a long way in enhancing value for all those who are associated with the Company: shareholders, customers, suppliers, creditors, Government of India, State Governments, Governmental agencies / departments and the society at large.

The Board of Directors at their 427th meeting have approved the Policy on Corporate Governance.

### 2. Board of Directors

As on 31st March, 2011 the Board of NMDC comprises of a full time Chairman-Cum-Managing Director and five Functional Directors, two Government Nominee Director and seven Non-Executive (Independent) Directors.

#### a. Composition and category of Directors:

##### Whole-time Directors

- i) Shri Rana Som, Chairman-cum-Managing Director
- ii) Shri V.K. Sharma, Director (Commercial)
- iii) Shri S. Venkatesan, Director (Production)
- iv) Shri N.K. Nanda, Director (Technical)
- v) Shri S. Thiagarajan, Director (Finance)
- vi) Shri G.B. Joshi, Director (Personnel) (w.e.f. 13.08.2010)

##### Government of India nominee Directors

- i) Shri S. Machendranathan, Additional Secretary & Financial Adviser (AS&FA), Ministry of Steel (w.e.f. 24.05.2010)
- ii) Shri UP Singh, Joint Secretary, Ministry of Steel

##### Independent Directors

- i) Dr. (Mrs.) Indira Misra (upto 03.06.2010)
- ii) Ms. Teresa Bhattacharya (upto 23.12.2010)
- iii) Shri Abdul Kalam
- iv) Shri Y.K. Sharma
- v) Shri K.S. Raju
- vi) Lt. Gen. (Retd.) Arvind Mahajan (w.e.f. 01.04.2010)
- vii) Shri R.N. Aga (upto 03.06.2010)  
(Reappointed w.e.f. 03.12.2010)
- viii) Mrs. Parminder Hira Mathur (w.e.f. 03.12.2010)
- ix) Shri D. Rath (w.e.f. 03.12.2010)

The Chairman-Cum-Managing Director and Functional Directors are appointed by Government of India for a period of five years or till the age of superannuation or until further orders whichever is earlier. The Directors are initially appointed by the Board as Additional Director in terms of the provisions of Section 260 of the Companies Act, 1956 and thereafter by the shareholders in the Annual General Meeting. The appointment may, however, be terminated by either side on three months notice or on payment of three months salary in lieu thereof.

Government Nominee Directors representing Ministry of Steel, retire from the Board on ceasing to be official of Ministry of Steel, Government of India.

Non Executive Directors (Independent) are normally appointed for a tenure of 3 years.

As on the date of the Report, the composition of the Board of NMDC is in conformity with Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance.

## **b. BOARD MEETINGS**

### **Board Meeting Procedure:**

The Board Meetings are convened by giving appropriate advance notice after seeking approval of the Chairman of the Board / Committee as the case may be. In order to address specific urgent needs, meetings are also convened at a shorter notice. Resolutions are also passed by way of circulation in the eventuality of exigencies or urgency.

Detailed agenda note are circulated in advance to the Board Members for facilitating meaningful, informed and focused decision at the meeting. In case of special and exceptional circumstances, additional / supplemental agenda item(s) are also permitted.

### **Information placed before the Board of Directors**

The Board of Directors has complete access to information within the Company. The information inter alia regularly supplied to the Board includes:

- Annual Operating Plans and Budgets and any updates.
- Capital Budget, Revenue Budget and any updates.
- Quarterly / Annual Results of the Company.
- Minutes of Meeting of Audit Committee and other Committees of the Board.
- Minutes of the Meeting of Board of Directors of Subsidiary Companies.
- Major Investments in Subsidiaries, Joint Ventures and Strategic Alliances.
- Disclosure of Interest by Directors and other statutory items.
- Major expansion plans of the Company.
- Any significant development in Human Resources / Industrial Relation.

**Attendance of each Director at the Board Meeting and the last AGM**

<b>Sl. No.</b>	<b>Name of the Director</b>	<b>No. of Board Meetings held</b>	<b>No. of Board Meetings attended</b>	<b>Last AGM Attended</b>
1	Shri Rana Som Chairman-cum-Managing Director	11	11	YES
2	Shri V.K. Sharma Director (Commercial)	11	11	YES
3	Shri S. Venkatesan Director (Production)	11	10	YES
4	Shri N.K. Nanda Director (Technical)	11	11	YES
5	Shri S. Thiagarajan Director (Finance)	11	11	YES
6	Shri G.B. Joshi Director (Personnel) (w.e.f. 13.08.2010)	07	07	NO
7	Shri Machendranathan (w.e.f. 24.05.2010)	09	09	NO
8	Shri U.P. Singh	11	11	NO
9	Dr. (Mrs.) Indira Misra (upto 03.06.2010)	02	02	NO
10	Ms. Teresa Bhattacharya (upto 23.12.2010)	07	04	NO
11	Shri Y.K. Sharma	11	07	YES
12	Shri Abdul Kalam	11	10	NO
13	Shri K.S. Raju	11	11	NO
14	Lt. Gen.(Retd.) Arvind Mahajan (w.e.f. 01.04.2010)	11	11	NO
15	Shri R.N. Aga (upto 03.06.2010) (reappointed w.e.f. 03.12.2010)	06	05	NO
16	Mrs. Parminder Hira Mathur (w.e.f. 03.12.2010)	04	04	NO
17	Shri D. Rath (w.e.f. 03.12.2010)	04	03	NO

**c. Number of other Boards or Board Committees in which he / she is a Member or Chairperson**

Sl. No.	Name of the Director	No. of Directorship and Committee Membership / Chairmanship		
		Other Directorship	Committee Membership	Committee Chairmanship
1	Shri Rana Som Chairman-cum-Managing Director	3	1	1
2	Shri V.K. Sharma Director (Commercial)	1	1	–
3	Shri S. Venkatesan Director (Production)	1	3	–
4	Shri N.K. Nanda Director (Technical)	5	2	–
5	Shri S. Thiagarajan Director (Finance)	1	2	–
6	Shri G.B. Joshi Director (Personnel) (w.e.f. 13.08.2010)	1	–	–
7	Shri Machendranathan	4	–	–
8	Shri U.P. Singh	3	–	–
9	Dr. (Mrs.) Indira Misra (upto 03.06.2010)	–	1	–
10	Ms. Teresa Bhattacharya (upto 23.12.2010)	–	1	–
11	Shri Y.K. Sharma	1	3	2
12	Shri Abdul Kalam	1	1	–
13	Shri K.S. Raju	–	–	–
14	Lt. Gen.(Retd.) Arvind Mahajan (w.e.f. 01.04.2010)	3	3	–
15	Shri R.N. Aga (upto 03.06.2010) (reappointed w.e.f. 03.12.2010)	1	2	1
16	Mrs. Parminder Hira Mathur (w.e.f. 03.12.2010)	–	–	–
17	Shri D. Rath (w.e.f. 03.12.2010)	1	–	–

**Notes:**

- 1 Excluding Private Limited Companies, Foreign Companies and Section 25 Companies.
- 2 Membership / Chairmanship of only the Audit Committee, Shareholders' Committee, Investor Grievance Committee of all Public Limited Companies (Explanation to clause 49(C) of the Listing Agreement). Committee Membership of NMDC is also included.
- 3 Directors are not inter se related to each other.

**d. No. of Board Meetings held, dates on which held.**

During the year 2010-2011, eleven (11) Board meetings were held, the details of which are given below:

<b>S.No.</b>	<b>Date</b>	<b>Board Strength</b>	<b>No. of Directors Present</b>
1	16.04.2010	13	11
2	22.05.2010	13	13
3	30.06.2010	12	10
4	02.08.2010	12	11
5	23.09.2010	13	13
6	28.10.2010	13	13
7	26.11.2010	13	11
8	30.12.2010	15	13
9	12.01.2011	15	15
10	01.02.2011	15	15
11	16.03.2011	15	13

Brief Resume/Profile of the Directors and expertise in specific functional areas forms part of the Annual Report.

**3. Audit Committee**

**i. Brief description of terms of reference**

The role of the Audit Committee shall include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Sec 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue etc) the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency the utilization of proceeds of a public or right issue, and making appropriate recommendation to the Board to take up the steps in the matter.
- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors and/or auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- To review the follow up action on the audit observations of the C&AG audit.
- To review the follow up action taken on the recommendations of Committee on Public Undertakings of the Parliament.
- Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- Review and pre-approve all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.
- Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- Consider and review the following with the independent auditor and the management:
  - The adequacy of internal controls including computerized information system controls and security;
  - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.

- Consider and review the following with the management, internal auditor and the independent auditor:
  - ☐ Significant findings during the year, including the status of previous audit recommendations.
  - ☐ Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**ii. Composition, name of Members and Chairperson**

The Audit Committee consists of the following Directors:

- Shri Y.K. Sharma, Independent Director and Chairman (w.e.f. 14.07.2010)
- Shri S. Venkatesan, Director (Production)
- Lt. Gen. (Retd.) Arvind Mahajan, Independent Director and Member (w.e.f. 14.07.2010)
- Shri R.N. Aga, Chairman (upto 03.06.2010)
- Dr (Mrs.) Indira Misra, Member (upto 03.06.2010)
- Ms Teresa Bhattacharya, Member (upto 23.12.2010)
- The Company Secretary acted as the Secretary to the Audit Committee as was laid down under the provisions of clause 49.
- Shri S. Thiagarajan, Director (Finance), Representatives of Statutory and Internal Auditors, Functional Directors, besides, Head of Audit and Executives of other Departments are invited on need basis.

**iii. Meetings and attendance during the year**

During the year under report, six meetings of the Audit Committee were held. The details of attendance of the Members are indicated below:

Sl.No.	Date	Strength of Audit Committee	No. of Members Present
1	16.04.2010	4	3
2	22.05.2010	4	4
3	02.08.2010	4	3
4	23.09.2010	4	4
5	27.10.2010	4	4
6	01.02.2011	3	3

**iv. Attendance of each Director at the Audit Committee meetings**

Sl.No.	Name of the Director	No. of meetings Held	No. of meetings attended
1	Shri R.N. Aga (upto 03.06.2010)	2	2
2	Shri Y.K. Sharma	4	4
3	Dr. (Mrs.) Indira Misra (upto 03.06.2010)	2	2
4	Ms. Teresa Bhattacharya (upto 23.12.2010)	5	4
5	Shri S. Venkatesan	5	4
6	Lt. Gen. (Retd.) Arvind Mahajan (w.e.f. 14.07.2010)	4	4

**4. Remuneration Committee**

The Board of Directors at its 411th meeting held on 24.04.2009 had constituted a Remuneration Committee of Directors in line with the DPE OM dated 26.11.2008.

Subsequently, keeping in view OM No.18(8)/2005-GM dated 14.05.2010 issued by DPE, the Board of Directors at its 430th meeting held on 01.02.2011 re-constituted the Remuneration Committee as under:

Sl.No.	Name
1	Shri R.N. Aga, Independent Director & Member
2	Shri Y.K. Sharma, Independent Director & Member
3	Shri K.S. Raju, Independent Director & Member
4	Director (Personnel), NMDC, Secretary, to attend as Special Invitee.

The scope, powers and terms of reference of the Remuneration Committee shall be as per the directives issued by DPE, Listing Agreement, the Companies Act, 1956 etc.

During the year under review, 1 meeting of the Remuneration Committee was held on 28th April, 2010. All the Directors attended the meeting of the Remuneration Committee.

NMDC being a Government Company, the terms and conditions of appointment and remuneration of Functional Directors are determined by Government through its administrative Ministry, Ministry of Steel. Non-executive Part-time Official Directors (Independent) do not draw any remuneration.

The non-executive Directors are paid sitting fee as approved by the Board within the ceiling fixed under the Companies Act, 1956 and as per the guidelines issued by the Government of India.

The details of remuneration paid to Functional Directors during the financial year 2010-11 are as follows:

(In Rs.)

Sl. No.	Name of the Director	Pay & Benefits	Contribution to PF & other funds	Other benefits	Total
1	Shri Rana Som Chairman-cum-Managing Director	26,91,548	2,12,865	21,76,400	50,80,813
2	Shri V.K. Sharma, Director (Commercial)	21,81,176	1,89,712	14,53,539	38,24,427
3	Shri S. Venkatesan, Director (Production)	22,39,491	1,85,189	14,18,320	38,43,000
4	Shri N.K. Nanda, Director (Technical)	23,08,177	1,83,699	14,04,420	38,96,296
5	Shri S. Thiagarajan, Director (Finance)	22,82,532	1,80,683	13,79,504	38,42,719
6	Shri G.B. Joshi, Director (Personnel) (w.e.f. 13.08.2010)	15,49,148	1,16,578	10,16,817	26,82,543
		<b>1,32,52,071</b>	<b>10,68,726</b>	<b>88,49,000</b>	<b>2,31,69,797</b>

# As per existing pay scales

## Notice period of 3 months or salary in lieu thereof is required for severance of service.

1. The Company has not introduced any stock option scheme.
2. The remuneration does not include the provision made on actuarial valuation of retirement benefit schemes and provision made for post retirement medical benefits as the same is not separately identifiable for individual directors.

During the year under review, the part-time Directors (Independent Directors) were paid sitting fees of Rs.10,000/- per meeting or a Committee meeting thereof. Govt. Directors and Functional Directors are not paid sitting fees for attending the meeting of the Board or any Committee meeting thereof.

During the year, the part-time non-official Directors (Independent Director) received sitting fees for attending the meetings of the Board/Committees as follows:

S.No.	Name of the Director	Sitting Fees (in Rs.)
1	Shri Y.K. Sharma	1,40,000
2	Shri Abdul Kalam	1,60,000
3	Shri K.S. Raju	2,40,000
4	Lt. Gen.(Retd.) Arvind Mahajan (w.e.f. 01.04.2010)	2,00,000
5	Shri R.N. Aga (upto 03.06.2010) (reappointed w.e.f. 03.12.2010)	1,00,000
6	Mrs. Parminder Hira Mathur (w.e.f. 03.12.2010)	40,000
7	Shri Dronadeb Rath (w.e.f. 03.12.2010)	40,000
8	Dr. (Mrs.) Indira Misra (upto 03.06.2010)	40,000
9	Ms. Teresa Bhattacharya (upto 23.12.2010)	80,000
10	Shri S. Venkatesan	-
	<b>Total:</b>	<b>10,40,000</b>

\* Sitting Fees is not payable to Shri. S. Venkatesan, Director (Production)

**No. of Equity Shares of the Company held by Directors as on 31st March, 2011.**

<b>S.No.</b>	<b>Name of the Director</b>	<b>No. of Shares of the Company</b>
1	Shri Rana Som, Chairman-Cum-Managing Director	NIL
2	Shri V.K. Sharma, Director (Commercial)	60
3	Shri S. Venkatesan, Director (Production)	120
4	Shri N.K. Nanda, Director (Technical)	320
5	Shri S. Thiagarajan, Director (Finance)	NIL
6	Shri G.B. Joshi, Director (Personnel) (w.e.f. 13.08.2010)	100
7	Shri S. Machendranathan, Govt. Nominee Director	NIL
8	Shri U.P. Singh, Govt. Nominee Director	NIL
9	Shri R.N. Aga (re-appointed w.e.f. 03.12.2010)	NIL
10	Shri Y.K. Sharma	NIL
11	Shri Abdul Kalam	NIL
12	Shri K.S. Raju	NIL
13	Lt. Gen.(Retd.) Arvind Mahajan (w.e.f. 01.04.2010)	NIL
14	Mrs. Parminder Hira Mathur (w.e.f. 03.12.2010)	NIL
15	Shri Dronadeb Rath (w.e.f. 03.12.2010)	NIL

**5. Shareholders Committee**

**i. Share Transfer Committee**

The Board has constituted the Share Transfer Committee to consider and approve all related issues of Shares and Share transfers. The Members of the Committee are as under:

1. Chairman-cum-Managing Director
2. Director (Commercial)
3. Director (Production)
4. Director (Technical)
5. Director (Finance)
6. Company Secretary
7. Dy. Secretary

During the year under report, ten meetings of the Committee were held. The details of attendance of the Members are indicated below:

Sl.No.	Date	Strength of Share	No. of Members present Transfer Committee
1	19.04.2010	7	7
2	21.05.2010	7	7
3	15.07.2010	7	6
4	26.08.2010	7	7
5	21.09.2010	7	7
6	28.10.2010	7	7
7	25.11.2010	7	7
8	19.01.2011	7	7
9	05.02.2011	7	7
10	24.02.2011	7	7

**Attendance of each Member at the Share Transfer Committee meetings**

Sl.No.	Name of the Member	No. of meetings held	No. of meetings attended
1	Chairman-cum-managing Director	7	7
2	Director (Commercial)	7	7
3	Director (Production)	7	6
4	Director (Technical)	7	7
5	Director (Finance)	7	7
6	Company Secretary	7	7
7	Dy. Secretary	7	7

ii. Name and designation of the Compliance Officer: Shri Mohammad Imam, Dy. Secretary

iii. Details in respect of shareholders' complaints:

- No. of shareholders complaints received so far - 3,280 (3,239 related to FPO).
- No. not solved to the satisfaction of the shareholders- Nil
- Number of pending complaints- Nil

## 6. Shareholders'/Investors' Grievance Committee

**Composition:** The Board has constituted the Shareholders'/Investors' Grievance Committee comprising Chairman of Audit Committee (Chairman of the Committee) and Director (Production) and Director (Finance) as Members. During the year 3 meetings were held on 02.08.2010, 27.10.2010 and 12.01.2011.

### Attendance of each Member at the Shareholders' / Investors' Grievance Committee

Sl. No.	Name of the Member	No. of meetings held	No. of meetings attended
1	Chairman, Audit Committee	3	3
2	Director (Production)	3	3
3	Director (Finance)	3	3

Pursuant to an offer for sale, Government of India had disinvested 8.38% of its holding in the Company aggregating 33,22,43,200 equity shares of Re.1/- each in the financial year 2009-10. M/s Karvy Computershare Pvt. Ltd. were appointed as Registrar to the offer for sale by Government of India. All grievances / complaints relating to offer for sale made by Government of India are exclusively dealt by M/s Karvy Computershare Pvt. Ltd.

This being an Offer for Sale, the Company has not received any proceeds of the offer and all the proceeds were received by Government of India. Accordingly, there are no projected utilization of funds and / or projected profitability statement in this regard.

## 7. General Body Meeting

- Location and time where last three AGMs held.
- Whether any special resolution passed in the previous 3 AGMs.

The details of the General Meetings held for the past three years are as under:

AGM No.	Venue	Date & time	Special Resolutions passed
50th AGM	Regd. Office, Hyderabad	08.08.08 at 1530 hrs	Five
51st AGM	Regd. Office, Hyderabad	29.08.09 at 1530 hrs	Seven
52nd AGM	Ravindra Bharati, Saifabad Hyderabad	05.08.10 at 1430 hrs	One

- During the year 2010-11, there was no occasion to resort to Postal Ballot for consideration of the shareholders of the Company.

## 8. Disclosures

- There are no 'materially significant related party transactions' that may have a potential conflict with the interests of Company at large.
- There was no case of non-compliance of statutory provisions of the Companies Act, 1956 or SEBI Regulations or provisions of Listing Agreement, or any other statutory authority. These authorities have not passed any strictures or imposed any penalty on the Company on any matter related to capital markets during last three years.

- iii. In respect of Whistle Blower Policy, no personnel of the Company has been denied access to the Audit Committee.
- iv. As on the date of Report, the Company has complied with the requirement of Clause 49 and DPE Guidelines on Corporate Governance.

In respect of non-mandatory requirements as prescribed in Annexure-I D to Clause 49 of the Listing Agreement, the extent of compliance is as under:

- **The Board:**

The Chairman cum Managing Director of the Company who is in whole time employment, is the Chairman of the Board. Therefore, there is no need for maintenance of a separate Chairman's office. Independent Directors are appointed by Ministry of Steel, Govt. of India for a tenure not exceeding three years. No independent Directors has served in aggregate for a period of nine years.

- **Remuneration Committee:**

In respect of Remuneration Committee, details has been outlined in SI.4.

- **Shareholder Rights:**

The Quarterly Financial Results of the Company are published widely in leading newspapers. The said results are also hosted on the website of the Company.

- **Audit Qualification:**

The Company always aims to present unqualified financial statements.

- **Training of Board Members:**

The Directors of the Company are nominated for suitable training / programmes / seminars from time to time.

- **Mechanism for evaluating Non Executive Board Members:**

Being a PSU, the Non Executive Directors are appointed by Government of India. The Company has not adopted any mechanism for evaluating individual performance of Non Executive Board Members.

- **Whistle Blower Policy:**

NMDC being a PSU, the guidelines of Central Vigilance Commission (CVC) are applicable which provides adequate safeguard against victimization of the employees. No person has been denied access to the Audit Committee.

- v. Other than the sitting fees paid (Rs.10,000/- per sitting as determined by the Government of India), part-time Directors have no pecuniary relationship or transactions with the Company during the year under report.
- vi. Details of Presidential Directives issued by Central Government and their compliances during the year and also in the last 3 years:

The Company is following the Presidential Directives and guidelines issued by the Government of India from time to time regarding reservation for SCs, STs and OBCs. As per the 'Presidential Directives' received from the Ministry of Steel vide letter No.12(65)/2008-RMI dated 01.05.2009, the revised pay scales and allowances of the Board level and below Board level have been implemented w.e.f. 01.01.2007.

- vii. Items of expenditure debited in books of accounts, which are not for the purposes of the business.  
Nil.
- viii. Expenses incurred which are personal in nature and incurred for the Boards of Directors and Top Management.  
Nil
- ix. Details of Administrative and Office expenses as a percentage of total expenses - 3.43%.

## 9. Means of communication

### (a) Quarterly Results:

The Company publishes quarterly Un-audited / Audited financial results through leading National Daily Commercial / Economic newspapers and also Local language Daily newspapers including Hindi Daily newspaper.

These results are also posted on Company's website: [www.nmdc.co.in](http://www.nmdc.co.in). The Companies website also contains a dedicated section on 'Investors' where shareholders information is available viz. Annual Reports, Financial Details, etc.

In addition, the Company communicates major achievements and important events taking place in the Company through Press, Electronic Media and also on its Website.

### (b) Website

As per the provisions of the Listing Agreement, the Company's website i.e. [www.nmdc.co.in](http://www.nmdc.co.in) contains a separate section "Investors", where shareholders information is available.

## 10. General Shareholders Information

### i. AGM date, time and venue

Date	Time	Venue
20.09.2011	1500 hrs	Grand Ball Room, Hotel Taj Krishna, Road No.1 Banjara Hills, Hyderabad - 500 034

### ii. Financial Calendar for 2011-12

1st quarter results	(Unaudited)	on or before 14.08.2011
2nd quarter results	(Unaudited)	on or before 14.11.2011
3rd quarter results	(Unaudited)	on or before 14.02.2012
4th quarter results	(Audited)	on or before 30.05.2012

### iii. Date of Book Closure : From 17.09.2011 to 20.09.2011 (both days inclusive)

### iv. Dividend Payment date

Dividend to be paid within 30 days of declaration as per the provisions of the Companies Act, 1956.

### v. Listing on Stock Exchanges

NMDC shares are listed on Stock Exchanges at Bangalore, Chennai, Mumbai, Kolkata, New Delhi and National Stock Exchange, Mumbai. Listing Fees for the year 2011-12 has been paid to all the Stock Exchanges.

**vi. Stock Code :**

<b>Sl.No.</b>	<b>Name of the Stock Exchange where Company's equity shares are listed</b>	<b>Scrip Code / Company Code</b>
i)	Bombay Stock Exchange, Mumbai	526371
ii)	National Stock Exchange, Mumbai	NMDC
iii)	Delhi Stock Exchange, New Delhi	14090
iv)	Calcutta Stock Exchange, Kolkata	24131
v)	Madras Stock Exchange, Chennai	NATMINER
vi)	Bangalore Stock Exchange, Bangalore	NMN

**vii Market price data: High, Low during each month in last financial year**

**(a) Market prices at Bombay Stock Exchange**

<b>Year</b>	<b>Month</b>	<b>Highest</b>	<b>Lowest</b>
2010	April	313.00	298.40
2010	May	301.90	264.00
2010	June	283.50	254.00
2010	July	274.00	257.50
2010	August	272.80	240.00
2010	September	277.00	241.00
2010	October	298.80	263.95
2010	November	298.40	227.00
2010	December	280.90	241.10
2011	January	286.00	256.55
2011	February	277.80	255.55
2011	March	287.40	260.35

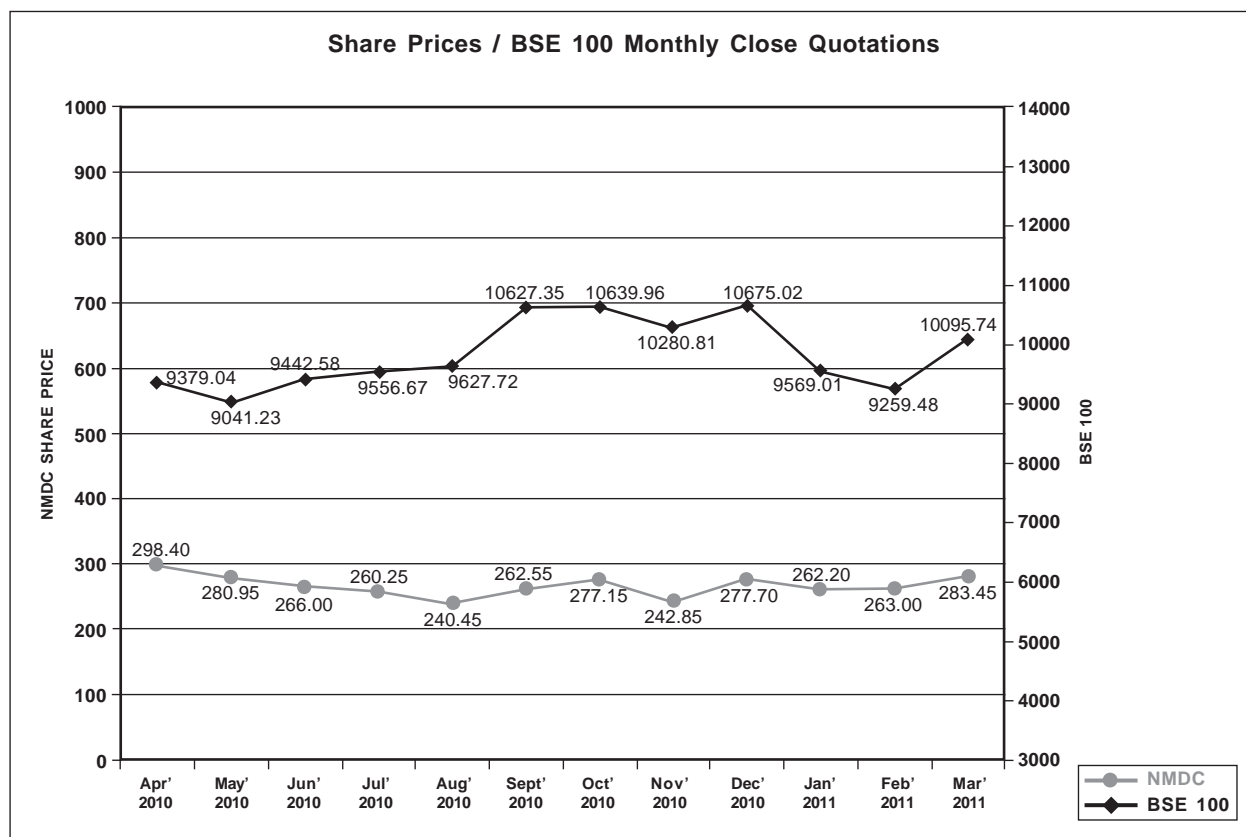
**(b) Market prices at National Stock Exchange**

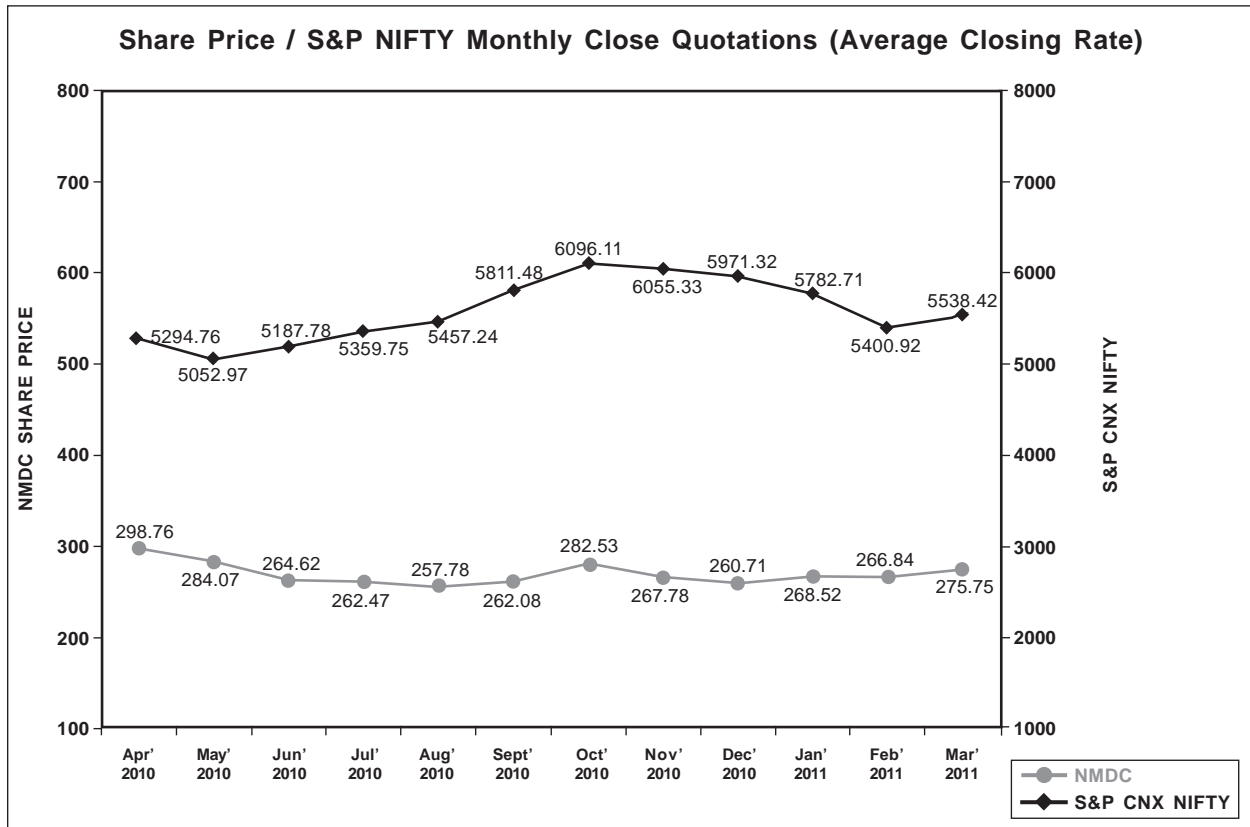
Year	Month	Highest	Lowest
2010	April	312.75	288.00
2010	May	302.50	264.30
2010	June	283.80	254.90
2010	July	274.30	257.00
2010	August	273.00	240.05
2010	September	278.50	241.60
2010	October	299.00	263.75
2010	November	298.45	227.05
2010	December	280.50	234.10
2011	January	286.00	257.00
2011	February	277.40	255.50
2011	March	287.90	248.10

Note : The Company split the face value of the share to Re.1 per share from Rs.10 per share on 21st April, 2008.

The Company issued Bonus Shares @ two equity shares for every one share held on 22nd May 2008.

**viii. Performance in comparison to broad based indices such as BSE Sensex, CRISIL Index etc.**





**ix. Registrar & Transfer Agent**

The Company has appointed Aarthi Consultants Pvt. Ltd., Hyderabad as Share Transfer Agent of NMDC for looking after the works relating to share transfer/transmission etc., and dematerialization of shares of NMDC with CDSL and NSDL.

**x. Share Transfer System**

The Company has a Share Transfer Committee comprising of Chairman-cum-Managing Director, Director (Commercial), Director (Production), Director (Technical), Director (Finance), Company Secretary and Deputy Secretary which considers the request for Transfer / Transmission of shares, dematerialization of shares etc. The share transfer committee considers request for issue of share certificates. Transfers in physical form are registered after ascertaining objections, if any, from the transferors; and no valid transfer application are kept pending beyond the stipulated period of thirty days. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories viz, NSDL and CDSL within 15 days.

xi. Distribution of Shareholding:

a. Shareholding Pattern as on 31st March, 2011 pursuant to Clause 35 of the Listing Agreement (Consolidated)

Category code	Category of Shareholder	Number of Share holders	Total Number of shares	Number of shares held in demateria- lised form	Total share- holding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a Per- centage of (A+B) <sup>1</sup>	As a Per- centage of (A+B+C)	Number of Shares	As a Per- centage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/ (IV)x100
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>							
<b>1</b>	<b>Indian</b>							
a.	Individuals/Hindu Undivided Family	0	0	0	0	0	0	0
b.	Central Government/ State Government(s)	1	3568418180	0	90	90	0	0
c.	Bodies Corporate	0	0	0	0	0	0	0
d.	Financial Institutions/Banks	0	0	0	0	0	0	0
	Others	0	0	0	0	0	0	0
e.	Mutual Funds	0	0	0	0	0	0	0
f.	Trusts	0	0	0	0	0	0	0
	<b>Sub Total (A)(1)</b>	<b>1</b>	<b>3568418180</b>	<b>0</b>	<b>90</b>	<b>90</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Foreign</b>							
a.	Individuals (Non Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0
b.	Bodies Corporate	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0
	Others	0	0	0	0	0	0	0
d.	Overseas Corporate Bodies	0	0	0	0	0	0	0
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Total Shareholding of Promoter and Promoter Group	0	0	0	0	0	0	0
	<b>(A)=(A)(1)+(A)(2)</b>	<b>1</b>	<b>3568418180</b>	<b>0</b>	<b>90</b>	<b>90</b>	<b>0</b>	<b>0</b>
<b>(B)</b>	<b>Public Shareholding</b>							
<b>1</b>	<b>Institutions</b>							
a.	Mutual Funds/UTI	23	16988928	16988928	0.43	0.43	0	0
b.	Financial Institutions/Banks	38	100004993	100004993	2.52	2.52	0	0
c.	Central Government/ State Government(s)	0	0	0	0	0	0	0
d.	Venture Capital Funds	0	0	0	0	0	0	0

Category code	Category of Shareholder	Number of Share holders	Total Number of shares	Number of shares held in dematerialised form	Total share-holding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a Percentage of (A+B) <sup>1</sup>	As a Percentage of (A+B+C)	Number of Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)x100
e.	Insurance Companies	7	218553515	218549515	5.51	5.51	0	0
f.	Foreign Institutional Investors	62	27024956	27024956	0.68	0.68	0	0
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0
	Others	0	0	0	0	0	0	0
h.	Foreign Companies	0	0	0	0	0	0	0
i.	FPO Unclaimed Shares A/c	1	4640	4640	0	0	0	0
	<b>Sub Total (B)(1)</b>	<b>131</b>	<b>362577032</b>	<b>362573032</b>	<b>9.15</b>	<b>9.15</b>	<b>0</b>	<b>0</b>
<b>2</b>	<b>Non-Institutions</b>							
a.	Bodies Corporate	1507	9807045	9786045	0.25	0.25	0	0
b.	Individuals	0	0	0	0	0	0	0
i)	Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0
		169077	22721155	22548576	0.57	0.57	0	0
ii)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0	0	0	0	0
		3	427473	427473	0.01	0.01	0	0
c.	Any Others	0	0	0	0	0	0	0
i)	Non Resident Individuals	1684	569439	569439	0.01	0.01	0	0
ii)	Overseas Corporate Bodies	0	0	0	0	0	0	0
iii)	Trusts	22	28956	28956	0	0	0	0
iv)	Employees	68	82329	31479	0	0	0	0
v)	Clearing Members	167	84391	84391	0	0	0	0
vi)	Foreign Nationals	0	0	0	0	0	0	0
	<b>Sub Total (B)(2)</b>	<b>172528</b>	<b>33720788</b>	<b>33476359</b>	<b>0.85</b>	<b>0.85</b>	<b>0</b>	<b>0</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>172659</b>	<b>396297820</b>	<b>396049391</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>
	<b>Total (A)+(B)</b>	<b>172660</b>	<b>3964716000</b>	<b>396049391</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>(C)</b>	Shares held by Custodians and against Depository Receipts have been issued	0	0	0	0	0	0	0
1	Shareholding of Promoter and Promoter Group	0	0	0	0	0	0	0
2	Public Shareholding	0	0	0	0	0	0	0
	<b>Grand Total (A)+(B)+(C)</b>	<b>172660</b>	<b>3964716000</b>	<b>396049391</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>

**(b) Distribution of Shareholding by size as on 31.03.2011**

Sl.No.	Category	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Shares
1.	1 - 5000	172191	100	21936239	0.56
2.	5001 - 10000	184	0	1511225	0.03
3.	10001 - 20000	93	0	1414291	0.03
4.	20001 - 30000	38	0	1476491	0.02
5.	30001 - 40000	20	0	669466	0.02
6.	40001 - 50000	11	0	608293	0.01
7.	50001 - 100000	30	0	1964185	0.05
8.	100001 & above	93	0	3935135810	99.27
	<b>Total</b>	<b>172660</b>	<b>100.00</b>	<b>3964716000</b>	<b>100.00</b>

**(c) Top ten shareholders as on 31.03.2011**

Sl. No.	Name of the Shareholder	No. of Shares	% of Total Shareholding
1	President of India	3568418180	90.00
2	LIC of India	196858195	4.97
3	State Bank of India	26293685	0.66
4	LIC of India Money Plus	20214500	0.51
5	LIC of India Market Plus - 1	11788057	0.30
6	Canara Bank	10808905	0.27
7	Bank of Baroda	10293508	0.26
8	LIC of India - Profitplus	10173693	0.26
9	The New India Assurance Company Limited	7120749	0.18
10	Morgan Stanley Mauritius Company Limited	6213915	0.16
	<b>Total:</b>	<b>3868183387</b>	<b>97.57</b>

## xii. Dematerialization of shares and liquidity

The shares of the Company are dematerialized with Central Depository Services (India) Ltd and National Securities Depository Limited. The addresses of the Depositories are as under:

- (1) National Securities Depository Limited  
Trade World, 4th Floor  
Kamala Mills Compound  
Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013
- (2) Central Depository Services (India) Limited  
Phiroze Jeejeebhoy Towers  
28th Floor, Dalal Street  
Mumbai - 400 023

**No. of Shares held in dematerialized and physical mode as on 31st March, 2011 are as under:**

Particulars	No. of Shares	% of total capital issue
Held in dematerialized form in CDSL	70,19,261	0.18
Held in dematerialized form in NSDL	38,90,30,130	9.81
Physical	356,86,66,609	90.01
<b>Total:</b>	<b>396,47,16,000</b>	<b>100.00</b>

## xiii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity : NIL

## xiv. Unclaimed Dividend

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, particulars of the dividends declared by the company, which remained unpaid or unclaimed are given below:

Sl.No.	Particulars of Dividend	Date of declaration of Dividend	Proposed date of transfer to IEPF*
1	Final Dividend for the year 2006-07	31.08.2007	30.09.2014
2	Interim Dividend for the year 2007-08	25.10.2007	24.11.2014
3	2nd Interim Dividend for the year 2007-08	30.01.2008	28.02.2015
4	Final Dividend for the year 2007-08	08.08.2008	07.09.2015
5	Interim Dividend for the year 2008-09	28.01.2009	27.02.2016
6	Final Dividend for the year 2008-09	29.08.2009	28.09.2016
7	Interim Dividend for the year 2009-10	23.01.2010	12.02.2017
8	Final Dividend for the year 2009-10	05.08.2010	04.09.2017
9	Interim Dividend for the year 2010-11	01.02.2011	01.03.2018

\* Investor Education and Protection Fund (IEPF)

**xv. Unclaimed Shares Suspense Account**

Pursuant to an offer for sale, Government of India has disinvested 8.38% of its holding in the Company aggregating 33,22,43,200 equity shares of Re.1/- each in the financial year 2009-10. During this period, two demat accounts were opened with NSDL & CDSL for crediting unclaimed / suspense equity shares. As per the provisions of Clause 5A of the Listing Agreement, the details of unclaimed equity shares lying in the unclaimed suspense account are given below:

Sl. No.	Particulars	NSDL		CSDL	
		Shareholders	Equity Shares	Shareholders	Equity Shares
1	Opening balance as on 01.04.2010	403	46,400	174	24,460
2	Requests received during the year	361	41,760	174	24,460
3	Requests resolved during the year	361	41,760	174	24,460
4	Closing balance as on 31.03.2011	42	4,640	Nil	Nil

The voting rights on these equity shares mentioned in the closing balance shall remain frozen till the rightful owner of such shares claims the shares.

**xvi. Plant / Mine Locations:**

The mines of the Company are located in the following locations:

- a. Bailadila Iron Ore Mine  
Kirandul Complex  
P.O. Kirandul  
Distt: Dantewada (Chhattisgarh)
- b. Bailadila Iron Ore Mine  
Bachel Complex  
P.O. Bachel  
Dist: Dantewada (Chhattisgarh)
- c. Donimalai Iron Ore Mine  
Donimalai Township  
Dist: Bellary - 583 118  
Karnataka
- d. Diamond Mining Project  
Majhgawan  
Panna - 488 001 (MP)
- e. Sponge Iron Unit  
NMDC Limited  
SIIL Campus  
Paloncha - 507 154  
Dist. Khammam(A.P.)

**xvi. Address for correspondence:**

Company Secretary  
NMDC Limited  
Regd. Office: 10-3-311/A  
Castle Hills, Masab Tank  
Hyderabad - 500 173  
E-mail: ims@nmdc.co.in

**xvii. Investors having any grievance relating to Offer for Sale by Government of India may register the complaint with M/s Karvy Computershare Pvt. Ltd. at the under mentioned address:**

Karvy Computershare Pvt. Ltd.  
Plot No. 17-24, Vittal Rao Nagar  
Madhapur  
Hyderabad - 500 081.  
Tel: 040-23420815  
Fax: 040-23431551  
Email: nmdc.ipo@karvy.com  
Contact Person: Mr. M. Murali Krishna

**1st Annual Report on the Working of the Audit Committee for the financial year ended 2010-11**

In keeping with the recommendations of the Report of the Comptroller & Auditor General of India (C&AG) and as a matter of good corporate governance practice, the Company has prepared its 1st Annual Report on the working of its Audit Committee for the financial year ended 2010-11. The 1st Annual Report on the working of its Audit Committee was also approved by the Board of Directors at its 433rd meeting held on 27.05.2011.

**Risk Management**

The Board of Directors has approved the broad approach / procedure on the policy on Risk Management and had desired that assistance of external experts may be sought for upgrading the document. Accordingly, the company has appointed M/s Ernst & Young as Consultant for preparation of Risk Management Policy.

**Code of Conduct**

The Board of Directors at their meeting held on 6th January, 2006 has approved the Code of Conduct for Directors and Senior Management Personnel of the Company. A copy of the Code of Conduct is posted at the website of the Company. Declaration as required under Clause 49I (D) of the Listing Agreement is annexed at Annexure-III (A).

**CEO / CFO certification**

CEO / CFO certification as required in terms of Clause 49 (V) of the Listing Agreement is annexed at Annexure III (B).

**Compliance Certificate**

In Compliance with Clause 49 (VII) of the Listing Agreement, certificate from the Company Secretary in whole-time practice regarding compliance of conditions of Corporate Governance is annexed at Annexure III (C).